



# *NEWS RELEASE*

**FOR IMMEDIATE RELEASE: January 1, 2006**

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## **New Year Introduces New Protections for California Consumers**

SACRAMENTO — The new year will usher in additional protections for consumers, including used-car buyers, homeowners and those who use small claims court, thanks to several new laws, passed by the Legislature and signed into law by Gov. Arnold Schwarzenegger, which took effect January 1, 2006.

“California consumers will have significantly more protections in the new year,” said Department of Consumer Affairs Director Charlene Zettel. “These new laws will help protect consumers from unscrupulous practices and ensure a fair marketplace.”

Among the most significant of these laws (which go into effect January 1 unless otherwise noted) are:

**AB 68 (Montanez) AUTO REPAIR** — “The Car Buyer’s Bill of Rights.” This bill provides the buyer of a used car that has a purchase price of less than \$40,000 with the right to a contract cancellation option agreement. It also makes it a violation of the Vehicle Code for a dealer to advertise for sale or sell a used vehicle as “certified,” unless the vehicle meets certain specified standards. In addition it requires dealers to notify buyers of the cash price and the financing cost of any extra items.

**AB 316 (Nakanishi) CONTRACTORS** — This bill unifies and clarifies the standard requirements for home improvement contracts and service and repair contracts, making them easier for both the contractor and consumer to understand and use. It clarifies that both types of contract must have everything in writing, and that for both types of contract the “Right to Cancel” clauses are triggered when the consumer receives his or her copy of the agreement.

**SB 422 (Simitan)/AB 1459 (Canciamilla) SMALL CLAIMS COURT** — These bills raise the jurisdictional limit for most individuals who sue in small claims court to \$7,500, from \$5,000. They also require, effective July 1, 2006, that each temporary judge take a court-offered course on small claims.

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**SB 581** (Figueroa) **HEALTH CLUB CONTRACTS** — This bill makes various changes to health club contract law. It changes the timeframe in which consumers may cancel the contract and get a prorated refund, depending on the total amount of the contract. It also changes the amount a health studio may charge as part of the contract, and requiring that facilities that have not yet opened to hold moneys received in trust.

**SB 914** (Kehoe) **ANIMAL CRUELTY** — Prohibits the selling of puppies under eight weeks of age by anyone other than an animal sheltering agency, pet dealer or rescue group, without written approval from a licensed veterinarian.

In addition to these bills, California will see a number of new laws in 2006 designed to prevent identity theft. For information on these laws, see the related [press release](#).

For more information, see the accompanying [list of Department of Consumer Affairs-related laws](#) or the Department's latest [Legislative Digest](#).

The California Department of Consumer Affairs mission is to protect and serves consumers. The Department helps ensure a competent and fair marketplace by establishing minimum standards of competency in over 100 business and 200 professional categories. For more information, contact the Department at (800) 952-5210 or visit us online at [www.dca.ca.gov](http://www.dca.ca.gov).

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